

### **LEASE AND RENTAL PROPERTY INSTRUCTIONS**

The depreciation percentage to be used is determined by the year the equipment was acquired.

1. Equipment leased or rented that meets all of the following criteria to qualify as **exempt**:
  - (a) the acquired cost of the personal property is less than \$15,000;
  - (b) the personal property is owned by a business whose primary business income is from rental or lease of personal property to individuals wherein no one customer of the business accounts for more than 10% of the total rentals or leases during a calendar year; and
  - (c) the lease of the personal property is generally on an hourly, daily, or weekly basis.
2. Lease or rental equipment that is leased or rented on an hourly, daily or weekly basis, but does not meet **all** of the above criteria should be valued using the lease & rental depreciation tables. However, this property is assessed and taxed in class 8.
3. Lease and rental equipment that does not meet **any** of the qualifications, should be valued and assessed as other like equipment.
3. When a special mobile permit (SM plate), as defined in 61-1-104, MCA is purchased for lease and rental equipment, this equipment will be classified and valued the same as other SM equipment in Class 8.

Goods held for lease or rent should not be considered business inventory.

**Example:** If the item cost \$750 and was acquired in 2000, the present market value would be  $\$750 \times 20\% = \$150$ , market value. If the item was acquired in 2000 for \$125 the market value would be  $\$125 \times 9\% = \$11$  market value.

$$\begin{aligned}
 \$750 \times 20\% &= \$150 \text{ market value} \\
 \$125 \times 9\% &= \underline{\$11} \text{ market value} \\
 &\quad \$161 \times 3\% = \$5 \text{ taxable value}
 \end{aligned}$$

**LEASED AND RENTAL PROPERTY DEPRECIATION CHART**  
**(BEVS - SCREEN 2)**

This schedule is to be used from January 1, 2008, through December 31, 2008, (reference ARM 42.21.113).

<u>Year</u> <u>Acquired</u>	<u>Original Cost</u> <u>\$0 - 500</u>	<u>Original Cost</u> <u>\$501 - 1500</u>	<u>Original Cost</u> <u>\$1501 - 5000</u>
	(BEVS Table 6) Class 8	(BEVS Table 7) Class 8	(BEVS Table 8) Class 8
2007	70%	85%	92%
2006	43%	69%	86%
2005	18%	52%	81%
2004	9%	34%	74%
2003	9%	20%	64%
2002	9%	20%	55%
2001	9%	20%	44%
2000	9%	20%	34%
1999	9%	20%	28%
1998	9%	20%	23%
AND OLDER			

**Original Acquired Cost \$5,001 - \$15,000**  
**(BEVS - TABLE 11)**

<u>ACQUIRED</u> <u>YEAR</u>	<u>TRENDED</u> <u>% GOOD</u>
2008	80%
2007	65%
2006	58%
2005	55%
2004	50%
2003	45%
2002	42%
2001	38%
2000	35%
1999	32%
1998	30%
1997	30%
1996	29%
1995	29%
1994	27%
1993	25%
1992	24%
1991	23%
1990	23%
1989	22%

And older

**Rental Video Tapes**  
**(BEVS - TABLE 9)**

<u>ACQUIRED</u> <u>YEAR</u>	<u>TRENDED</u> <u>%GOOD</u>
2007	25%
2006	15%
2005	10%